



NEW RESEARCH REVEALS POOR SUSTAINABILITY IS DEVALUING UK COMMERCIAL REAL ESTATE

**Majority predict commercial real estate assets to depreciate by over 20% due to
poor ESG credentials**

London, 11th January 2022

New research* shows that 66% of UK institutional commercial real estate investors and property professionals have seen a decrease in both the capital and rental value of their portfolios due to poor sustainability performance.

The study was conducted by Deepki, which is the only company in the world offering a fully populated ESG data intelligence platform to help commercial real estate investors, owners and managers improve the ESG performance of their real estate assets and enhance their value.

Over three-quarters of the respondents predict the capital value and rental income of their real estate assets to depreciate by over 20% if their ESG performance does not improve, highlighting the importance of commercial real estate sustainability in the UK.

Percentage of real estate portfolios with a high carbon footprint

The research also called attention to the scale of the ESG challenge facing UK commercial real estate, with 12% of those questioned saying that 5% to 10% of their real estate portfolio has poor energy efficiency or a high carbon footprint. A further 21% and 42% said that this was the case for 10-15% and 15-20% of their assets respectively.

Action to address poor ESG performance

The research also asked what actions respondents were likely to take to address the poor ESG performance of their real estate portfolios:

- 72% said that they would actively engage with the property management team to make improvements
- 61% said they would invest in improving energy efficiency



- 45% said they would work with a third party to develop an ESG strategy and measure performance against KPIs
- 28% said they would demolish and rebuild failing assets
- 10% said they would sell their assets



Katie Whipp, Head of Deepki UK, said: “ESG performance is now fundamental to the financial performance of assets within the UK commercial real estate sector, affecting both capital value and rental income. Real estate investors and owners recognise that they will see the value of their assets decline if they do not make the transition to net zero. However, this path is often complex and requires data intelligence, analysis and the expertise to take the appropriate action.”

Deepki’s scalable SaaS platform enables clients to collect ESG data, get a comprehensive overview of their portfolio’s ESG performance, establish pathways, assess their performance and report to key stakeholders, facilitating their transition to net zero. The platform is supported by carbon and ESG experts who partner with clients across data collection and analysis, through to ESG strategy definition and implementation.

For further information about Deepki’s services, visit: www.deepki.com

Notes to editors

Research conducted by Pureprofile with 100 institutional commercial real estate investors and commercial real estate professionals in October 2021. Read the full report, [here](#).

About Deepki

Founded in 2014, Deepki has developed a SaaS solution that uses data intelligence to guide real estate players in their net-zero transition. The solution leverages customer data to improve assets’ ESG (Environmental, Social and Governance) performance and maximise asset value. Deepki operates in 38 countries, with 150 team members across offices in Paris, London, Berlin, Milan and Madrid. The company serves clients including Generali Real Estate, Allianz Real Estate, SwissLife Asset Managers and the French government, helping to make their real estate assets more sustainable at scale.



For further information, please contact:

Clare Anderson

Email: clare@andersoncommsconsultancy.com

Mobile: +44 (0) 7958 665 883